



H&T Battery Components

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Date: February 6, 2009
Subject: Tax measures before the Finance Committee

Dear Members of the Finance Committee:

My name is Daniel D. Moffa, Vice President of Finance at H&T Battery Components USA, Inc. (H&T). H&T is a manufacturer of deep draw metal stampings for the Consumer Battery industry located at 984 Waterville Street, Waterbury, Connecticut. We employ 125 people, primarily in manufacturing related activities.

I am writing to voice my opposition to several tax bills before you which would seriously damage Connecticut's economy and our ability to compete and succeed here. These proposals would substantially increase our business costs and make it much harder for us to continue doing business in Connecticut. Specifically, we are opposing: HB-6348, HB-6187, HB-6349, HB-6350, SB-807 and SB-815

From my perspective, of particular concern is HB-6350 which eliminates most exemptions to the state's sales tax, including for manufacturing machinery and equipment. The sales tax exemption helps to make more affordable manufacturing equipment and spare parts used in our production. Placing a sales tax on these items will result in our delaying the purchase of equipment/spare parts until parts break, thereby hurting our ability to deliver products to market. In addition, eliminating the exemption will put Connecticut companies at a disadvantage to manufacturers in other states who do not place a sales tax on manufacturing equipment.

In addition, HB-6350 regarding the provision of equal to 1 hour per 40 hours worked will be detrimental to our business costs, and most likely result in a reduction in benefits to employees. On a 2,500 hour work year (50 hours per week, 50 weeks per year), our average employee will earn 8 days of vacation under the bill. This will promote excessive absenteeism in our business, thereby hurting our production and customer service. We would most likely reduce employee vacation and other benefits to offset the costs placed on H&T of HB-6350.

We urge you to reject these proposals and work with the business community to encourage economic development and job creation in Connecticut. In my humble opinion, the manufacturing sector is unique in that it produces wealth for not just it's owners and employees, but indirectly within the community as that wealth is further distributed in the form of payment for services, property taxes, food, clothing etc.

Respectfully Submitted,

Daniel D. Moffa
Vice President of Finance